Allotment of iron-ore blocks to Vizag Steel Plant

2203. SHRI SITARAM YECHURY: Will the Minister of MINES be pleased to state:

(a) whether it is a fact that Vizag Steel Plant has sought allotment of additional iron-ore blocks keeping in view the necessities after its expansion;

(b) if so, the steps taken in this regard;

(c) whether it is also a fact that despite the requests from PSUs, Government are allocating iron-ore mines on priority basis to private sector companies; and

(d) if so, the reasons therefor?

THE MINISTER OF MINES (SHRI SIS RAM OLA): (a) and (b) Two proposals for reservation of areas under Section 17A (1A) of the Mines and Minerals (Development and Regulation) Act, 1957 for undertaking mining operations for the mineral iron ore in the State of Orissa and Chhattisgarh in favour of Rashtriya Ispat Nigam Limited/Visakhapatnam Steel Plant (RINL/VSP) have been received in the Ministry. State Governments of Orissa and Chhattisgarh have informed that the areas sought by RINL/VSP are not available for reservation. Prior approval of the Central Government is required for grant of mineral concessions for First Schedule minerals in the Mines and Minerals (Development and Regulation) Act, 1957 including mining lease for iron-ore.

(c) No, Sir.

(d) Does not arise.

Demands of States on royalty and mining leases

2204. SHRI B.K. HARIPRASAD: Will the Minister of MINES be pleased to state:

(a) whether there has been a persistent demand from the States for enhancing royalty on minerals mined, commensurate with the market price of the minerals;

(b) whether there is another long standing demand from the States to empower them to award mining leases, on the basis of value-addition plans in States; and

(c) whether the proposed new mining policy would address these issues and if so, the details thereof?

THE MINISTER OF MINES (SHRI SIS RAM OLA): (a) Yes, Sir. As per the provisions of the Mines and Minerals (Development and Regulation) Act, 1957, the rates of royalty can be enhanced only once in three years. Since the rates of royalty were last revised on 14.10.2004, further revision in royalty rates is possible only after 13.10.2007. A Study Group has accordingly been constituted in the Ministry of Mines to review the royalty rates.

(b) and (c) State Governments have sought to give preference to such applicants in grant of mineral concession who are willing to do value addition of the minerals within the State. A National Mineral Policy, which also covers this issue, is under consideration of the Central Government.